



**“EFFECT FACTORS ON THE AFFORDABILITY TO OWN A HOUSE” :
A MALAYSIAN CASE**

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**Submitted in Partial Fulfillment
Of the Requirement for the
Bachelor of Business Administration
(Hons) Finance**

**FACULTY OF BUSINESS MANAGEMENT
UNIVERSITI TEKNOLOGI MARA,
JOHOR**

DECEMBER 2014



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JOHOR**

“DECLARATION OF ORIGINAL WORK”

I, Fatin Saadah binti Mohamed Khalid, (I/C Number: 910512 - 01 - 5162)

Hereby, declare that,

- This work has not previously been accepted in substance for any degree, locally or overseas and is not being concurrently submitted for this degree or any other degrees.
- This project paper is the result of my independent work and investigation, except where otherwise stated.
- All verbatim extracts have been distinguished by quotation marks and sources of my information have been specifically acknowledged.

Signature : _____

Date : _____

LETTER OF SUBMISSION

DECEMBER 2014

The Programme Coordinator
Bachelor of Business administration (Hons) Finance
Faculty of Business Management
Universiti Teknologi MARA
85009 Segamat
Johor

Dear Sir,

SUBMISSION OF PROJECT PAPER

Attached is the project paper titled “EFFECT FACTORS ON THE AFFORDABILITY TO OWN A HOUSE”: A MALAYSIAN CASE to fulfill the requirement as needed by the Faculty of Business Management, Universiti Teknologi MARA.

Thank you.

Yours sincerely

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ABSTRACT

Housing affordability is an important matter in the housing market to ensure that each group afford to own a house. During periods of rapid economic growth, many have the thought that house price will continue to surge and making it unaffordable especially during the financial crisis. The objective of this research is to determine the relationship between macroeconomics factors and house price index by using quarterly data from year 2006 to 2013 with 32 observations. The unit of analysis for this research comprises citizen of Malaysia. The result identified several significant variables in the prediction of factor that affecting the affordability including inflation, interest rate, income and population. The results of this study will help relevant parties to handle the situation and stabilize the housing prices before the condition become worse.